BANSWARA

BANSWARA SYNTEX LIMITED

41st ANNUAL REPORT



2016-17



41 *years in pursuit of excellence*

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri R.L.Toshniwal, Chairman
Shri Ravindra Kumar Toshniwal, Managing Director
Shri Rakesh Mehra, Vice Chairman
Shri Shaleen Toshniwal, Jt. Managing Director
Shri P. Kumar
Shri D. P. Garg
Dr. S. B. Agarwal
Shri Vijay Kumar Agarwal
Shri Kamal Kishore Kacholia
Shri Vijay Mehta
Dr. Vaijayanti Ajit Pandit
Shri J.M. Mehta

EXECUTIVES

Shri S.S. Sajal, President
Shri J.K.Rathi, President (Commercial)
Smt. Kavita Soni, Sr. Vice President (HR & CSR)

CHIEF FINANCIAL OFFICER

Shri J. K. Jain

COMPANY SECRETARY

Shri H.P. Kharwal

AUDITORS

M/s Kalani & Company, Chartered Accountants
5th Floor, Mile Stone Building, Tonk Road,
JAIPUR –302 015 (Raj.)

BANKERS

Punjab National Bank
Union Bank of India
Bank of Baroda
Bank of India

REGISTRAR & SHARE TRANSFER AGENT

M/s. Computech Sharecap Ltd.
147, Mahatma Gandhi Road, Fort, MUMBAI-400 001.
Email:helpdesk@computechsharecap.in
Website:www.computechsharecap.in
Phone No. (022)-22635000, 22635001
Fax: (022)-22635005

OFFICES

REGISTERED OFFICE

Industrial Area, Dahod Road, Post Box No. 21
BANSWARA-327 001 (Raj.)
CIN:L24302RJ1976PLC001684
Email : hpkharwal@banswarasyntex.com
website : www.banswarasyntex.com
Phone No. (02962) 257676, 257679-681
Fax No. (02962) 240692

HEAD/MARKETING OFFICE

4th/5th Floor, Gopal Bhawan
199, Princess Street
MUMBAI-400 002

DELHI OFFICE

401, 4th Floor, 2E/23, Jhandewalan Extn.
NEW DELHI-110 055

JAIPUR OFFICE

Ankur Apartments, S-6, Jyoti Nagar Extension
JAIPUR-302 005 (Raj.)

PLANTS

Banswara Unit
(Spinning, Weaving & Finishing),
Industrial Area, Dahod Road
BANSWARA –327001 (Raj.)

Daman Unit (Garment)

1. 98/3,Village Kadaiya
   Nani Daman
   DAMAN –396 210 (U.T)

2. Survey No. 713/1 ,713/2 ,713/3 ,725/2 &
   725/1, Village Dabhel , Nani Daman,
   DAMAN –396 210 (U.T)

Surat Unit (Garment)
Plot No. 5-6, G.I.D.C., Apparel Park, SEZ Sachin
SURAT – 394 230 (GUJARAT)

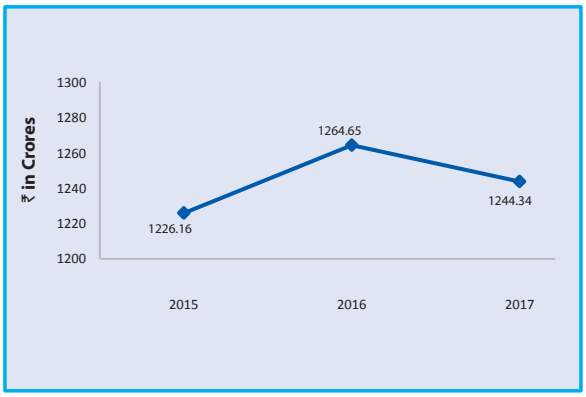
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QUALITY POLICY

WE, BANSWARA SYNTEX LIMITED ,WISH TO BE WORLD CLASS IN THE MANUFACTURE OF YARN & FABRIC. OUR ENDEAVOR IS TO ANTICIPATE & EXCEED CUSTOMER SATISFACTION BY UNDERSTANDING CUSTOMER'S NEED AND EXPECTATION AND THUS, ENSURING QUALITY AND TIMELY DELIVERY BY:-

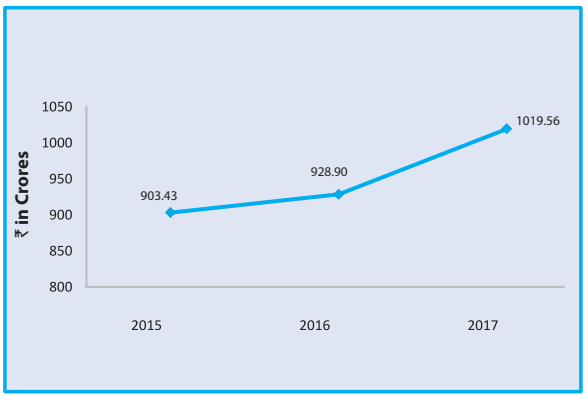
- BEING IN CLOSE CONTACT WITH CUSTOMERS AND GETTING THEIR FEED BACK.
- CONTINUOUS INNOVATION IN PRODUCT DEVELOPMENT.
- CONTINUAL IMPROVEMENT IN QMS & QUALITY THROUGH H.R.D., UPGRADATION OF PLANT & MACHINERY AND IMPROVEMENT IN METHODS OF WORK.
- PARTICIPATION OF MANAGEMENT AND ALL EMPLOYEES AS ONE TEAM.

Revenue From Operations (Net)



For the year ended March

Gross Fixed Assets

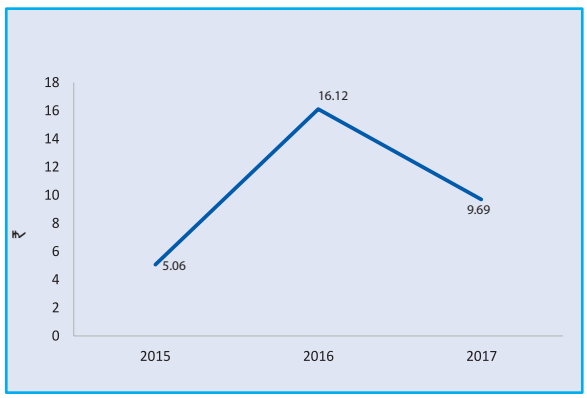


As at 31st March

KEY HIGHLIGHTS OF 2016-17

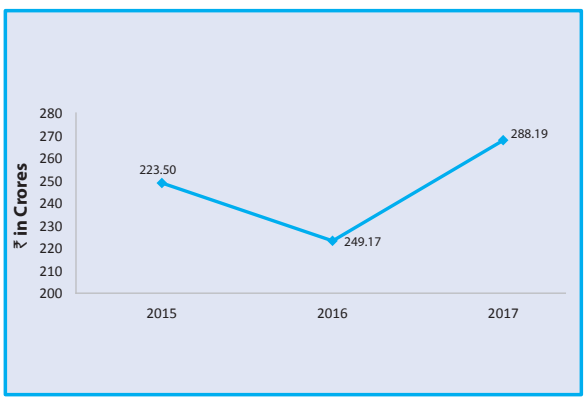
• Earning Per Share ₹ 9.69 • Book Value Per Share ₹ 156.69 • Dividend 10%	• Net Worth ₹ 268.19 Cr. • Net Worth and DTL ₹ 313 Cr.

Basic Earning Per Share



For the year ended March

Net Worth



As at 31st March

NOTICE

NOTICE is hereby given that 41st Annual General Meeting ("AGM") of the shareholders of Banswara Syntex Limited, will be held on Thursday, the 14th day of September, 2017 at 3.00 p.m. at its Registered Office at Industrial Area, Dahod Road, Post Box No. 21, Banswara - 327001(Raj.) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:
   - the audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon, and
   - the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and auditos' report thereon.
2. To declare final dividend on Equity Shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Shri R.L. Toshniwal (DIN: 00106933), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
4. To appoint K.G. Somani & Co., New Delhi, as Statutory Auditors of the Company.

   To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for appointment of M/s K.G. Somani & Co., Chartered Accountants (Registration No. 006591N), as Statutory Auditors of the Company in place of the retiring auditors M/s Kalani & Co., Chartered Accountants (Registration No. 000722C), to hold office from the conclusion of 41st AGM till the conclusion of 46th AGM (Subject to ratification of their appointment by the members at every Annual General Meeting held after this AGM) and that the Board of Directors of the Company, be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors of the Company."

SPECIAL BUSINESS

5. **To ratify the payment of Remuneration to the Cost Auditors for the Financial Year 2017-18.**

   To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution :

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of the remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) plus applicable Service Tax and reimbursement of actual out of pocket expenses to M/s. K.G. Goyal & Company, Cost Accountants (Registration No.000017) who were appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year ending on 31st March, 2018, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **To re-appoint Shri R.L. Toshniwal as Chairman and Whole Time Director**

   To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:-

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals as may be applicable, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Shri R.L. Toshniwal (DIN-00106933) as Chairman and Whole Time Director of the Company for a period of **3 years (Three Years) w.e.f. 1st January, 2018 to 31st December, 2020** on the terms and conditions including remuneration, as set out below, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/ or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof:-

   (I) Basic Salary: ₹ 8,00,000/- per month, w.e.f. 1st January, 2018 which shall be increased every year on1st April, by ₹ 75,000/- in the scale of ₹ 8,00,000 - 75,000 – 9,50,000. The first increase in the above salary will be from 1st April, 2019.

   (II) Commission: 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. This is also subject to the overall remuneration payable to all the Whole Time Executive Directors as prescribed under Section 197

of the Companies Act, 2013 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

(III) Perquisites and Benefits: In addition to above, the following perquisites not exceeding the overall ceiling as prescribed under Schedule V, annexed to the Companies Act, 2013, will be provided to Shri R.L. Toshniwal, Chairman:

CATEGORY (A)

a) Housing:

He will be paid 30% of his basic salary as House Rent Allowance per month.

b) Medical Reimbursement / Mediclaim Insurance:

Reimbursement of expenses, actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However, only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.

c) Leave Travel Concession:

For self and family once in a year; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of three years.

d) Club Fees

Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.

e) Personal Accident Insurance:

Premium not to exceed ₹ 10,000/- per annum.

f) Servant allowance:

Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

In addition to the perquisites, Shri R.L. Toshniwal shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law.

a) Provident Fund / Superannuation Fund or Annuity Fund:

The Company's contribution to Provident Fund/ Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

b) Gratuity:

Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.

c) Leave:

Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

a) Conveyance

Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.

b) Telephone

Free telephone facility at residence. Personal long distance calls shall be billed by the Company.

c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Shri R.L. Toshniwal, Chairman shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

d) Sitting Fee

No sitting fee shall be paid to Shri R.L. Toshniwal, Chairman, for attending the meetings of Board of Directors or any committee thereof.

e) He shall be liable to retire by rotation.

f) Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration and benefits shall be paid to Shri R.L. Toshniwal, Chairman, subject to the applicable provisions of Schedule V to the said Act.

Other Terms & Conditions:

a) Shri R.L. Toshniwal will perform the duties and exercise the powers, which may be assigned to or vested in him by the Board of Directors of the Company from time to time.

b) Either party i.e. the Company and Shri R.L. Toshniwal, Chairman, may terminate the agreement by giving the other party three-months prior notice in writing to that effect.

c) If, at any time, Shri R.L. Toshniwal ceases to be Director of the Company for any reason whatsoever, he shall also cease to be the Chairman and Whole time Director of the Company.

RESOLVED FURTHER THAT when in any financial year, the Company has no profits or its profits are inadequate during the period of 3 years, the remuneration including the perquisites as aforesaid, in such case paid/payable to Shri R.L. Toshniwal shall be within the limits specified under section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof, for the time being in force, or otherwise as may be permissible under the Law.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Shri R.L. Toshniwal, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Board of Directors, Shri J.K. Jain, Chief Financial Officer and Shri H.P. Kharwal, Company Secretary, of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

7. To re-appoint Shri Ravindra Kumar Toshniwal as Managing Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals as may be applicable, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Shri Ravindra Kumar Toshniwal (DIN – 00106789) as Managing Director of the Company for a period of **3 Years (Three Years) w.e.f. 1st January, 2018 to 31st December, 2020** on the terms and conditions including remuneration, as set out below, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and/or any statutory modification(s) or re-enactment(s) thereof:-

(I) Basic Salary: ₹ 6,75,000/- per month, w.e.f. 1st January, 2018 which shall be increased every year on 1st April, by ₹ 60,000/- in the scale of ₹ 6,75,000 – 60,000 – 7,95,000. The first increase in the above salary will be from 1st April, 2019.

(II) Commission: 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. This is also subject to the overall remuneration payable to all the Whole Time Executive Directors as prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The first such 1% commission of the net profit, will be paid to Shri R.L. Toshniwal, Chairman of the Company and thereafter balance available profit, will be equally distributed to Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri Shaleen Toshniwal, Jt. Managing Director of the Company, subject to maximum ceiling of 1% Commission to each one of them on net profit of the Company as above.

(III) Perquisites and Benefits: In addition to above, the following perquisites not exceeding the overall ceiling as prescribed under Schedule V, annexed to the Companies Act, 2013, will be provided to Shri Ravindra Kumar Toshniwal, Managing Director:

CATEGORY (A)

a) Housing:

He will be paid 30% of his basic salary as House Rent Allowance per month.

b) Medical Reimbursement / Mediclaim Insurance:

Reimbursement of expenses, actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However, only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.

c) Leave Travel Concession:

For self and family once in a year; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of three years.

d) Club Fees

Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.

e) Personal Accident Insurance:

Premium not to exceed ₹ 10,000/- per annum.

f) Servant allowance:

Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

In addition to the perquisites, Shri Ravindra Kumar Toshniwal shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law.

a) Provident Fund / Superannuation Fund or Annuity Fund:

The Company's contribution to Provident Fund/ Superannuation Fund or Annuity Fund will not be

included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

b) Gratuity:

Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.

c) Leave:

Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

a) Conveyance

Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.

b) Telephone

Free telephone facility at residence. Personal long distance calls shall be billed by the Company.

c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Shri Ravindra Kumar Toshniwal, Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

d) Sitting Fee

No sitting fee shall be paid to Shri Ravindra Kumar Toshniwal, Managing Director, for attending the meetings of Board of Directors or any committee thereof.

e) He shall not be liable to retire by rotation.

f) Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration and benefits shall be paid to Shri Ravindra Kumar Toshniwal, Managing Director, subject to the applicable provisions of Schedule V to the said Act.

Other Terms & Conditions:

a) Shri Ravindra Kumar Toshniwal will perform the duties and exercise the powers, which may be assigned to or vested in him by the Board of Directors of the Company from time to time.

b) Either party i.e. the Company and Shri Ravindra Kumar Toshniwal, Managing Director, may terminate the agreement by giving the other party three-months prior notice in writing to that effect.

c) If, at any time, Shri Ravindra Kumar Toshniwal ceases to be Director of the Company for any reason whatsoever, he shall also cease to be the Managing Director of the Company.

RESOLVED FURTHER THAT when in any financial year, the Company has no profits or its profits are inadequate during the period of 3 years, the remuneration including the perquisites as aforesaid, in such case paid/payable to Shri Ravindra Kumar Toshniwal shall be within the limits specified under section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof, for the time being in force, or otherwise as may be permissible under the Law.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Shri Ravindra Kumar Toshniwal, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Board of Directors, Shri J.K. Jain, Chief Financial Officer and Shri H.P. Kharwal, Company Secretary, of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

8. To re-appoint Shri Rakesh Mehra as Vice Chairman and Whole time Director.

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals as may be applicable, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Shri Rakesh Mehra (DIN – 00467321) as Vice Chairman and Whole Time Director of the Company for a period of **3 Years (Three Years) w.e.f. 1st January, 2018 to 31st December, 2020** on the terms and conditions including remuneration, as set out below, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V of the

Companies Act, 2013 and/or any statutory modification(s) or re-enactment(s) thereof:-

(I) Basic Salary: ₹ 6,75,000/- per month, w.e.f. 1st January, 2018 which shall be increased every year on1st April, by ₹ 60,000/- in the scale of ₹ 6,75,000 – 60,000 – 7,95,000. The first increase in the above salary will be from 1st April, 2019.

(II) Commission: 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. This is also subject to the overall remuneration payable to all the Whole Time Executive Directors as prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The first such 1% commission of the net profit, will be paid to Shri R.L. Toshniwal, Chairman of the Company and thereafter balance available profit, will be equally distributed to Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri Shaleen Toshniwal, Jt. Managing Director of the Company, subject to maximum ceiling of 1% Commission to each one of them on net profit of the Company as above.

(III) Perquisites and Benefits: In addition to above, the following perquisites not exceeding the overall ceiling as prescribed under Schedule V, annexed to the Companies Act, 2013, will be provided to Shri Rakesh Mehra, Vice Chairman :

CATEGORY (A)

a) Housing:

He will be paid 30% of his basic salary as House Rent Allowance per month.

b) Medical Reimbursement / Mediclaim Insurance:

Reimbursement of expenses, actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However, only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.

c) Leave Travel Concession:

For self and family once in a year; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of three years.

d) Club Fees

Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.

e) Personal Accident Insurance:

Premium not to exceed ₹ 10,000/- per annum.

f) Servant allowance:

Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

In addition to the perquisites, Shri Rakesh Mehra Vice Chairman shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law.

a) Provident Fund / Superannuation Fund or Annuity Fund:

The Company's contribution to Provident Fund/ Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

b) Gratuity:

Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.

c) Leave:

Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

a) Conveyance

Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.

b) Telephone

Free telephone facility at residence. Personal long distance calls shall be billed by the Company.

c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Shri Rakesh Mehra, Vice Chairman, shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

d) Sitting Fee

No sitting fee shall be paid to Shri Rakesh Mehra, Vice Chairman, for attending the meetings of Board of Directors or any committee thereof.

e) He shall be liable to retire by rotation.

f) Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration and benefits shall be paid to Shri Rakesh Mehra, Vice Chairman, subject to the applicable provisions of Schedule V to the said Act.

Other Terms & Conditions:

a) Shri Rakesh Mehra will perform the duties and exercise the powers, which may be assigned to or vested in him by the Board of Directors of the Company from time to time.

b) Either party i.e. the Company and Shri Rakesh Mehra, Vice Chairman, may terminate the agreement by giving the other party three-months prior notice in writing to that effect.

c) If, at any time, Shri Rakesh Mehra ceases to be Director of the Company for any reason whatsoever, he shall also cease to be the Vice Chairman of the Company.

RESOLVED FURTHER THAT when in any financial year, the Company has no profits or its profits are inadequate during the period of 3 years, the remuneration including the perquisites as aforesaid, in such case paid/payable to Shri Rakesh Mehra shall be within the limits specified under section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof, for the time being in force, or otherwise as may be permissible under the Law.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Shri Rakesh Mehra, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Board of Directors, Shri J.K. Jain, Chief Financial Officer and Shri H.P. Kharwal, Company Secretary, of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

9. To re-appoint Shri Shaleen Toshniwal as Jt. Managing Director.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals as may be applicable, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Shri Shaleen Toshniwal (DIN – 00246432) as Jt. Managing Director of the Company for a period of **3 Years (Three Years) w.e.f. 1st January, 2018 to 31st December, 2020** on the terms and conditions including remuneration, as set out below, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and/or any statutory modification(s) or re-enactment(s) thereof:-

(I) Basic Salary: ₹ 6,00,000/- per month, w.e.f. 1st January, 2018 which shall be increased every year on1st April, by ₹ 60,000/- in the scale of ₹ 6,00,000 – 60,000 – 7,20,000. The first increase in the above salary will be from 1st April,, 2019.

(II) Commission: 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. This is also subject to the overall remuneration payable to all the Whole Time Executive Directors as prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The first such 1% commission of the net profit, will be paid to Shri R.L. Toshniwal, Chairman of the Company and thereafter balance available profit, will be equally distributed to Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri Shaleen Toshniwal, Jt. Managing Director of the Company, subject to maximum ceiling of 1% Commission to each one of them on net profit of the Company as above.

(III) Perquisites and Benefits: In addition to above, the following perquisites not exceeding the overall ceiling as prescribed under Schedule V, annexed to the Companies Act, 2013, will be provided to Shri Shaleen Toshniwal, Jt. Managing Director:

CATEGORY (A)

a) Housing:

He will be paid 30% of his basic salary as House Rent Allowance per month.

b) Medical Reimbursement / Mediclaim Insurance:

Reimbursement of expenses, actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However, only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.

c) Leave Travel Concession:

For self and family once in a year; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of three years.